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October 18, 2024

**BY HAND DELIVERY & CMECF**

The Honorable Leonard P. Stark  
United States District Court for the District of Delaware  
J. Caleb Boggs Federal Building  
844 North King Street  
Wilmington, DE 19801-3570

Re: *Crystallex International Corp. v. Bolivarian Republic of Venezuela*, D. Del. C.A. No.  
1:17-mc-00151-LPS; Response to October 2, 2024 *Oral Order* (D.I. 1340)

Dear Judge Stark:

We write on behalf of the Special Master, Robert B. Pincus, in response to the Court's October 2, 2024 *Oral Order* directing the Special Master to (a) submit a revised proposed order for the Court to consider in connection with the pending Injunction Motion, and (b) advise the Court of the Special Master's position regarding whether the Court should conduct proceedings to determine whether PDVH is the alter ego of PDVSA, and, if so, how, by what mechanism, and on what schedule.<sup>1</sup>

The Special Master and his advisors have engaged in numerous conversations with various interested parties, including Crystallex, ConocoPhillips, and the recommended bidder, before submitting this response. We have also conferred with these same parties regarding the revised proposed order, attached as **Exhibit A** to this letter.

First, as Your Honor will see in the revised proposed order, since the last hearing before the Court, another creditor, Siemens Energy, Inc. ("**Siemens**"), filed an alter ego lawsuit in Texas. To prevent further attempts to disrupt the *res* or otherwise circumvent this Court's proceedings, the Special

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<sup>1</sup> All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the *Sixth Revised Proposed Order (A) Establishing Sale and Bidding Procedures, (B) Approving Special Master's Report and Recommendation Regarding Proposed Sale Procedures Order, (C) Affirming Retention of Evercore as Investment Banker by Special Master and (D) Regarding Related Matters* (D.I. 481) (the "**Sale Procedures Order**"), or the *Special Master's Motion to Enjoin the Alter Ego Claimants from Enforcing Claims Against the Republic or PDVSA by Collecting from PDVH or Its Subsidiaries in Other Forums* (D.I. 1248).

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Master respectfully requests that the Court enjoin all claimants or writ holders who have filed an Attached Judgment Statement in these proceedings, which includes Girard Street, G&A Strategic, and Gramercy, from asserting or further prosecuting in any court other than this Court any alter ego or reverse veil-piercing theories against PDVH or any of its direct or indirect subsidiaries for liabilities of the Republic or PDVSA, or their other respective affiliates or subsidiaries. The Special Master further requests that the Court order that the enjoined parties may bring in this Court for an adjudication of the merits, not later than November 13, 2024, their alter ego claims, including those that are pending in other jurisdictions, and that any alter ego claim that the enjoined parties fail to bring in this Court by that date will be barred.

Second, the Special Master believes the Court should conduct proceedings to determine whether PDVH and/or any of its subsidiaries are alter egos of PDVSA and/or the Republic. As an initial matter, ConocoPhillips recently filed an action in this Court seeking a declaratory judgment that PDVH is not subject to claims of reverse veil-piercing that would allow creditors of its owner, PDVSA, or of the Republic, to reach PDVH's ownership interest in CITGO Holding, Inc. *See Complaint for Declaratory or Alternative Relief, ConocoPhillips Petrozuata B.V. v. Girard Street Inv. Holdings LLC*, No. 24-cv-01140-LPS (D. Del. Oct. 14, 2024), D.I. 1. The Special Master respectfully submits that the Court should enter the revised proposed order and then concurrently adjudicate, on an expedited schedule, ConocoPhillips's declaratory judgment action, OI European Group B.V.'s pending alter ego claim (if it wishes to prosecute it), and any other claims that any alter ego claimants, including Girard Street, G&A Strategic, Gramercy, or Siemens, may bring before this Court. The Court should then make findings of fact and conclusions of law on whether PDVH and/or any of its subsidiaries are alter egos of PDVSA and/or the Republic in both the sale order and concurrent orders resolving the declaratory judgment action and any cases that alter ego claimants bring before this Court.

Consistent with that position, the Special Master proposes that the Court adopt the following schedule for addressing the merits of the alter ego claims:

- By no later than November 13, 2024, any enjoined party that wishes to pursue any alter ego claims against PDVH or any of its subsidiaries must bring those claims before this Court by: (1) filing a complaint in the United States District Court for the District of Delaware, and (2) identifying such action as a related case to this proceeding. The Court shall then consolidate each of those complaints into this proceeding;
- All discovery shall be completed by January 14, 2025;
- ConocoPhillips and any alter ego claimants shall file their respective pre-hearing briefs by January 24, 2025;
- All parties named as defendants in any alter ego pleadings before this Court shall file their respective pre-hearing response briefs by February 10, 2025;
- Any other interested parties, including the Special Master and recommended bidder, may file pre-hearing briefs by February 19, 2025;

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- ConocoPhillips and any alter ego claimants shall file their reply briefs by February 26, 2025; and
- The Court shall commence an evidentiary hearing on the merits of the alter ego claims on or about March 10, 2025.

Respectfully,

*/s/ Myron T. Steele*

Myron T. Steele

MTS:mes/11835171

cc: Clerk of Court (via hand delivery)  
Counsel of Record (via CM/ECF)